WANG DATA PROCESSING SURVEY

INPUT

Presentation
to

ARTHUR ANDERSEN & Co.

on

WANG DATA PROCESSING
SURVEY

by

INPUT

March 4 1987

Z-A5C
1987

Lenny Wayson

AGENDA

- Objectives and Methodology

- Characteristics of the Sample

- Characteristics of the Environment

- Management Approach

- Utilization of the Wang Systems

- Satisfaction Levels/Wang's Strategy

- Comparing Wang and IBM

- Conclusions

OBJECTIVES OF THE STUDY

- To Determine Wang's Prospects in the Area of Data Processing and Office Systems

- To Assess Wang's Competitive Position Relative to Other Players, IBM in Particular

- To Test Inroads into Wang's Traditional Word Processing/Office Systems Niche

- To Evaluate Current Levels of Satisfaction with the Vendors Products and Services
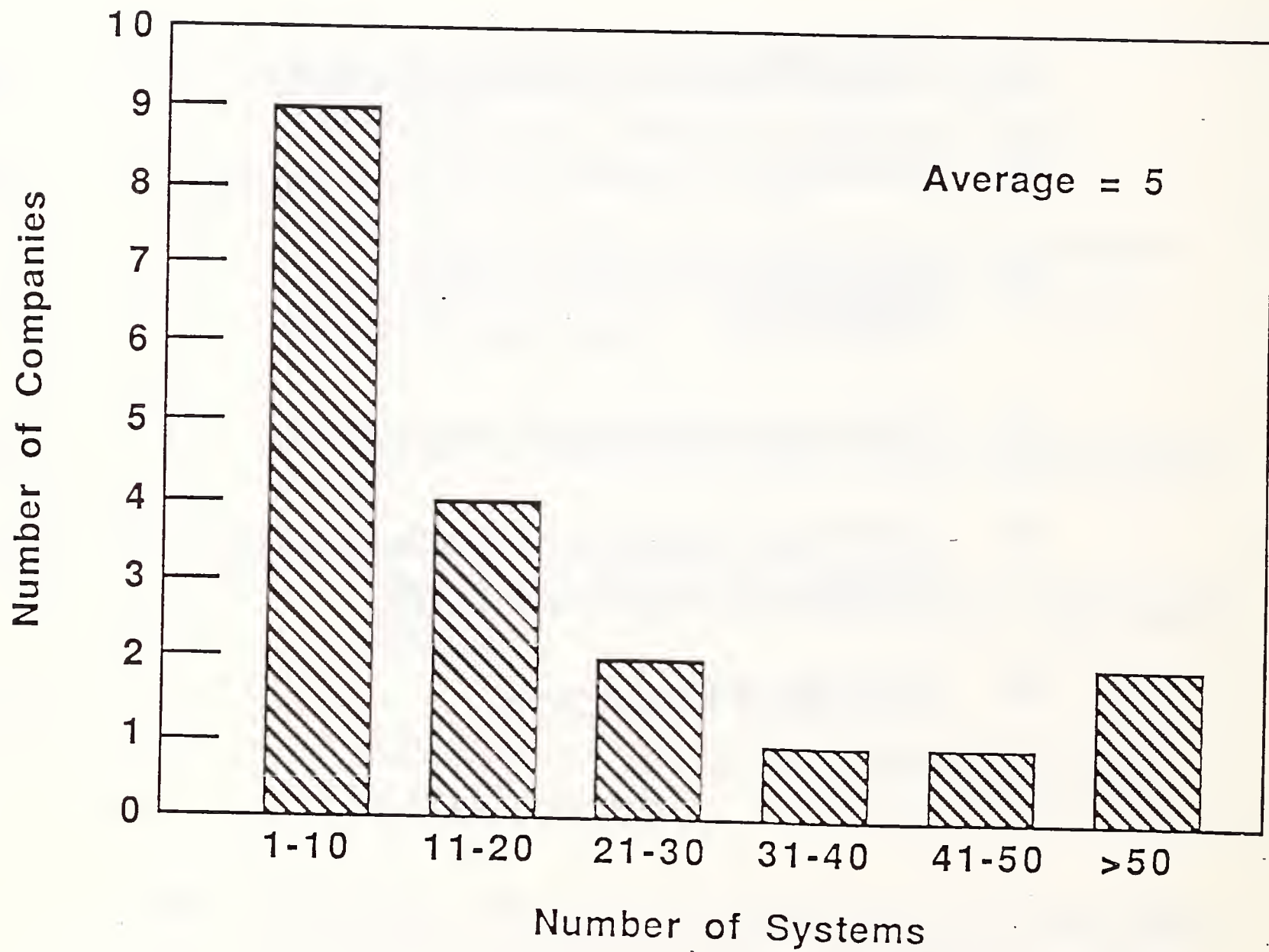
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STUDY METHODOLOGY

- Questionnaire Designed to Obtain Satistical and Opinion Survey Data

- Initial Sample of 10 Telephone Surveys Drawn form Arthur Andersen's List of Wang Customers

- Another 9 Telephone Surveys Conducted From:

    - Wang Strategic Account Management Group

    - Accounts Referenced By Initial 10 Respondents

- Informal Telephone Research Conducted to Certify Current Views on IBM Strategy
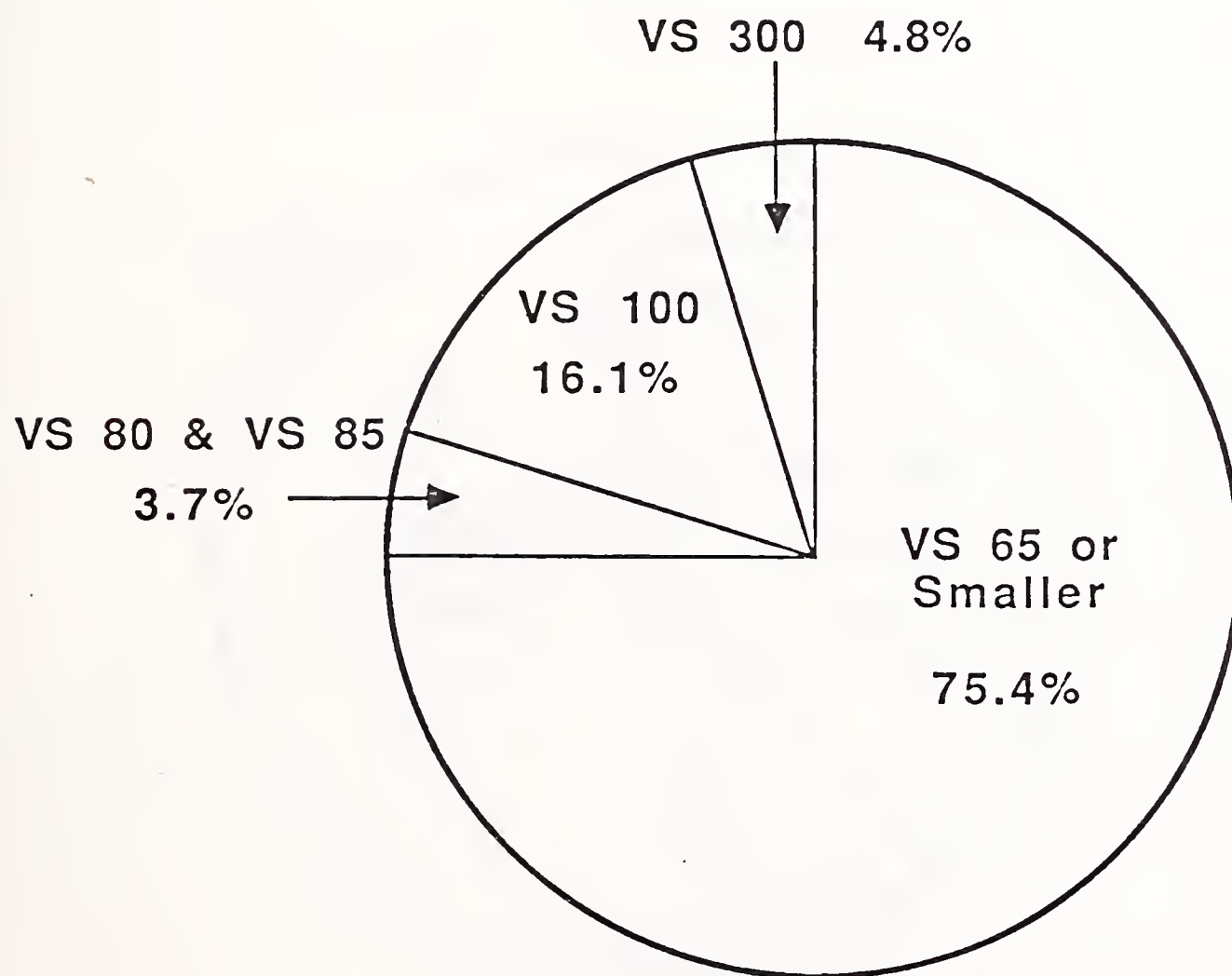
SAMPLE PROFILE

- Total Number of Respondents   19

- Average Number of VS Systems   38

- Average Number of PCs
  Attached   5

- Average Utilization for DP   72%

- Average Degree of Satisfaction
  (Scale of 1 to 5, 5 = High)   3.2
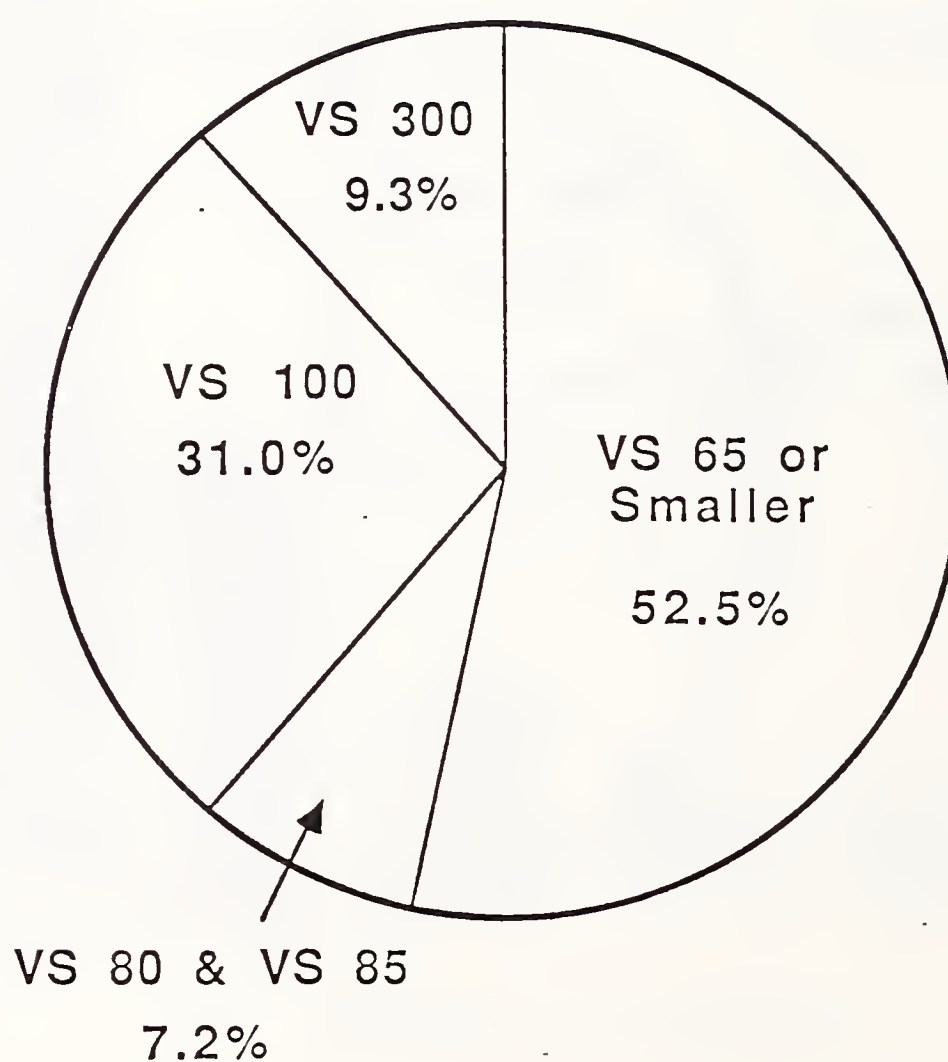
- Standard Deviation   0.8

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DISTRIBUTION OF CPUs
(Per Company)

Average = 5

Number of Companies (y-axis: 0 to 10)

Number of Systems (x-axis: 1-10, 11-20, 21-30, 31-40, 41-50, >50)

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DISTRIBUTION OF CPUs BY MODEL
(Total of 727 CPUs)

VS 300   4.8%

VS 100
16.1%

VS 80 & VS 85
3.7%

VS 65 or
Smaller

75.4%

DISTRIBUTION OF CPUs BY MODEL
Less 350 VS6s (American Home, Inc.)

VS 300
9.3%

VS 100
31.0%

VS 65 or
Smaller

52.5%

VS 80 & VS 85
7.2%

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TYPES OF NETWORKS
(Connectivity)

Peer
Connected
Only
2.2%

Peer and
Mainframe
Connected

17.3%

Mainframe
Only 6.5%

Standalone

74.0%

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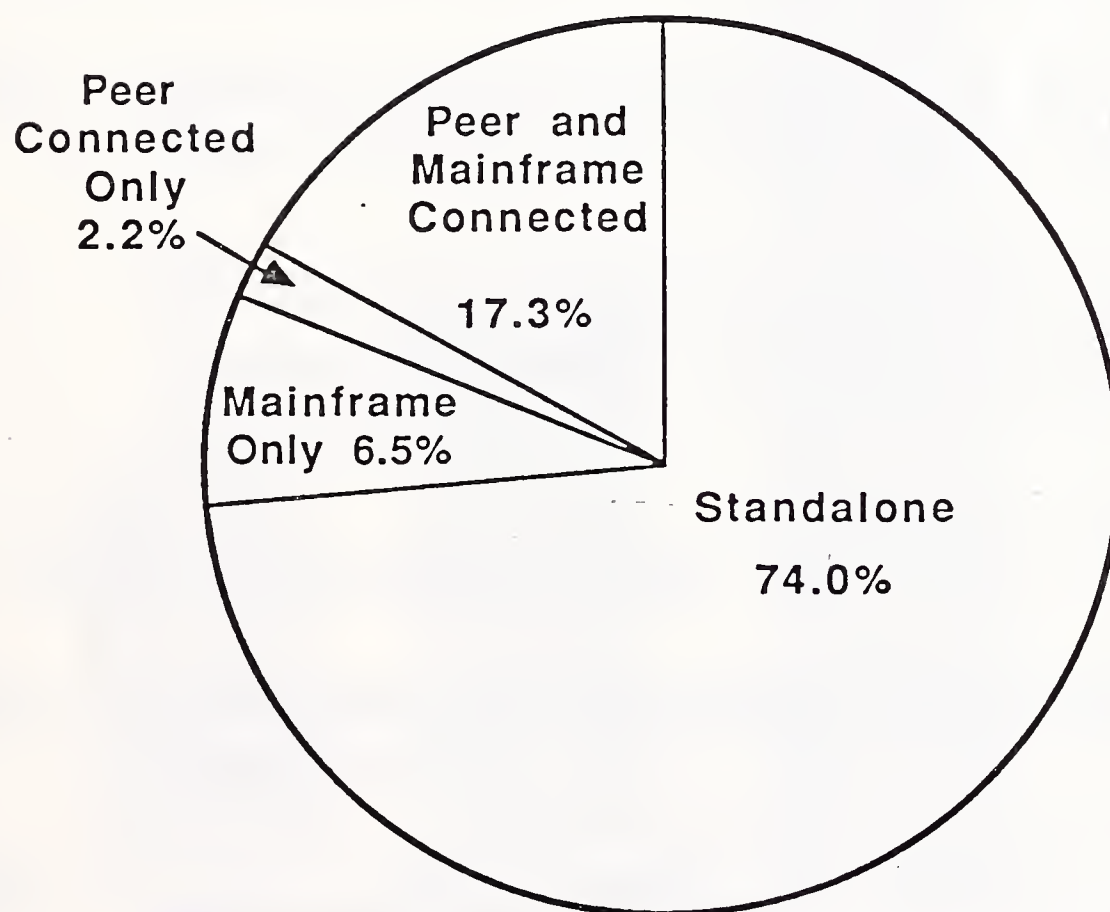
UTILIZATION OF SOFTWARE
(For All Respodents)

Data Processing = 72%

Percent of Respondents

SOFTWARE UTILIZED

WANG WP   WANG OFF   PACE   WANG-NET
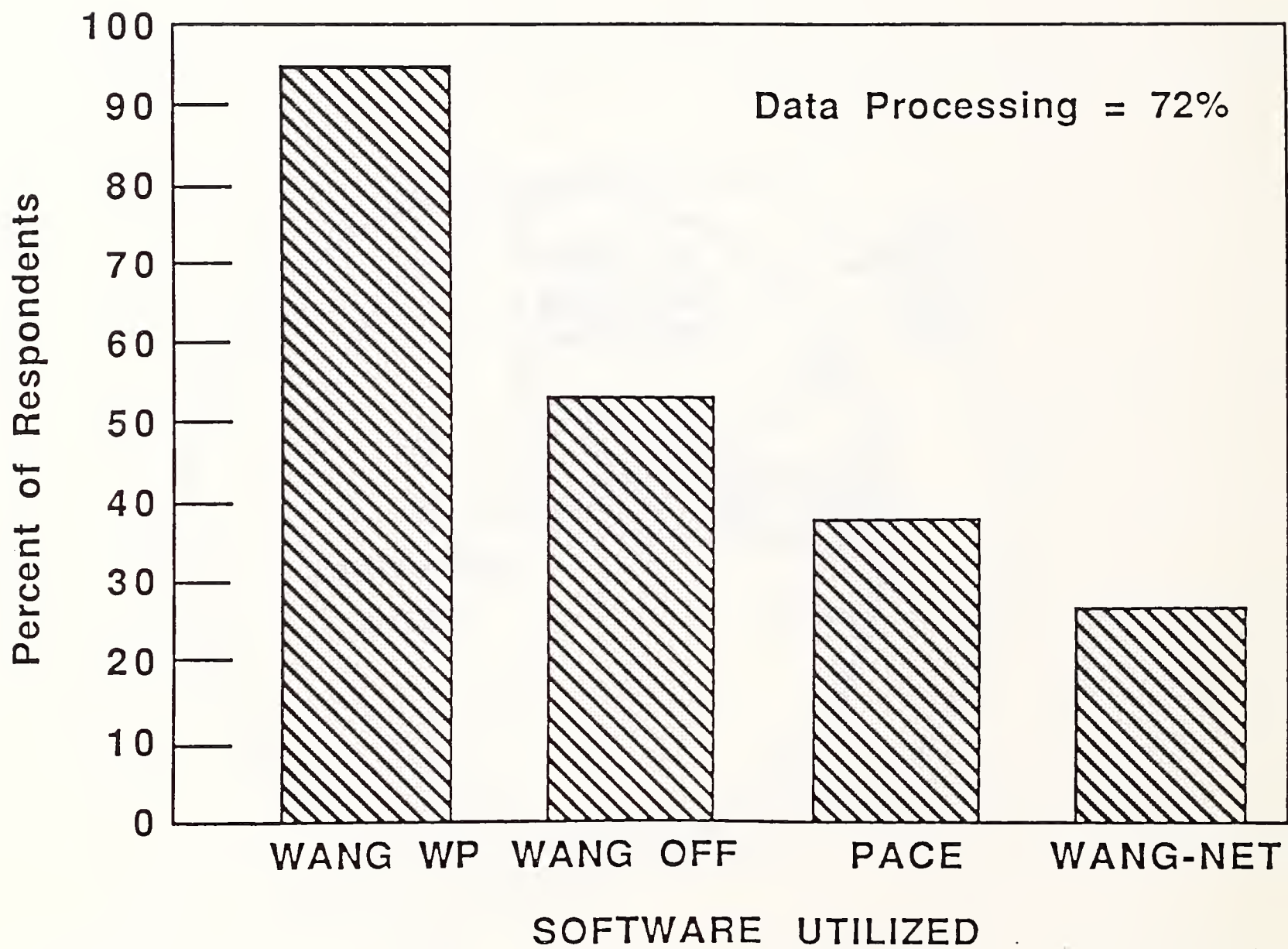
MANAGEMENT OF THE WANG ENVIRONMENT
(Number of Total Systems)

91   Centralized Management of Applications and Operations By the IS Department

551   Applications Managed By IS, But Operations Managed By User Departments

81   Decentralized Management of Both Applications and Operations By User Departments
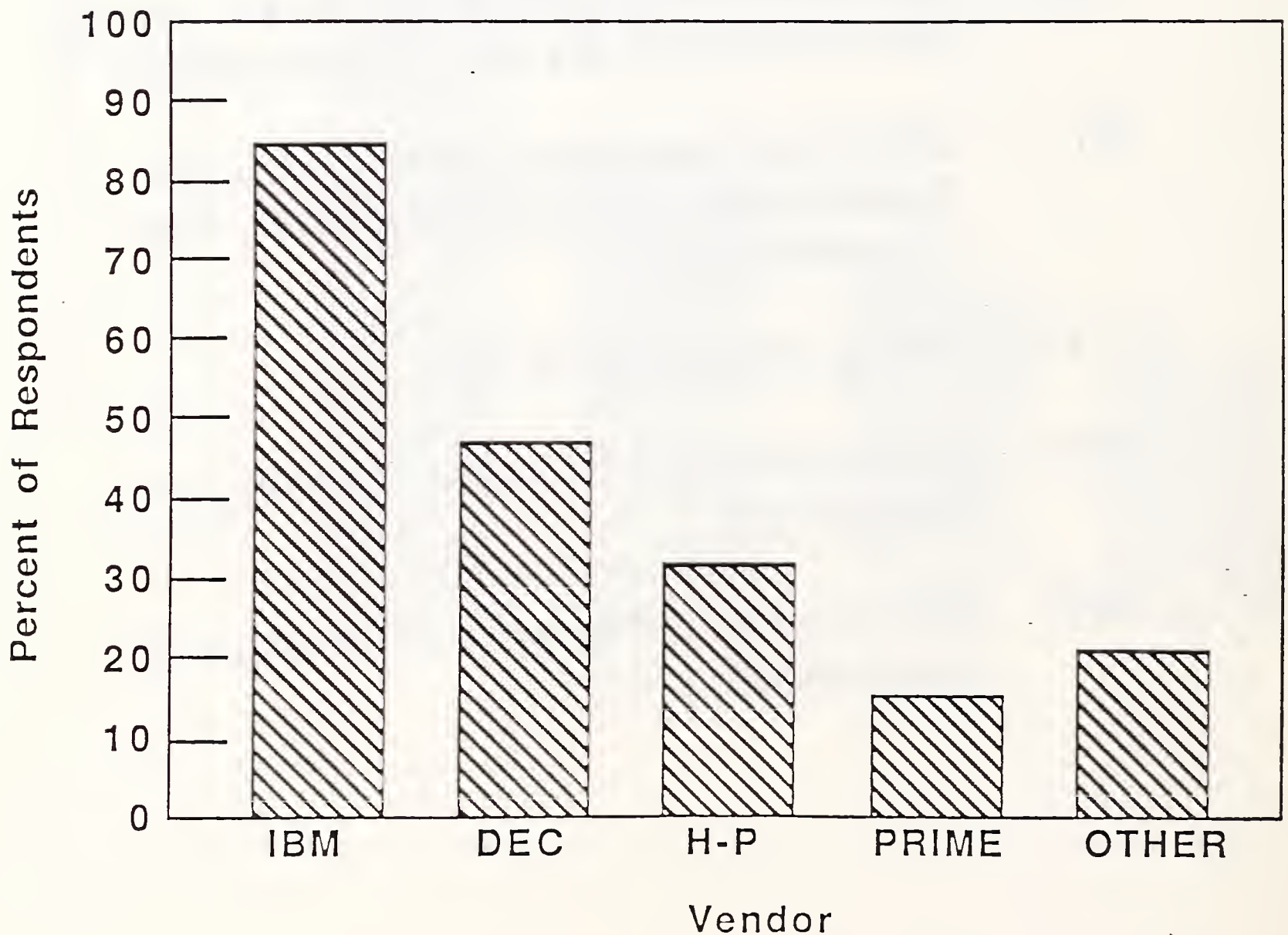
OF THE TOTAL SAMPLE OF 19:

84%   Indicated that Hardware Planning was Centralized

95%   Indicated that Software Planning was Centralized

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SELECTION PROCESS/CRITERIA

Total Sample:19

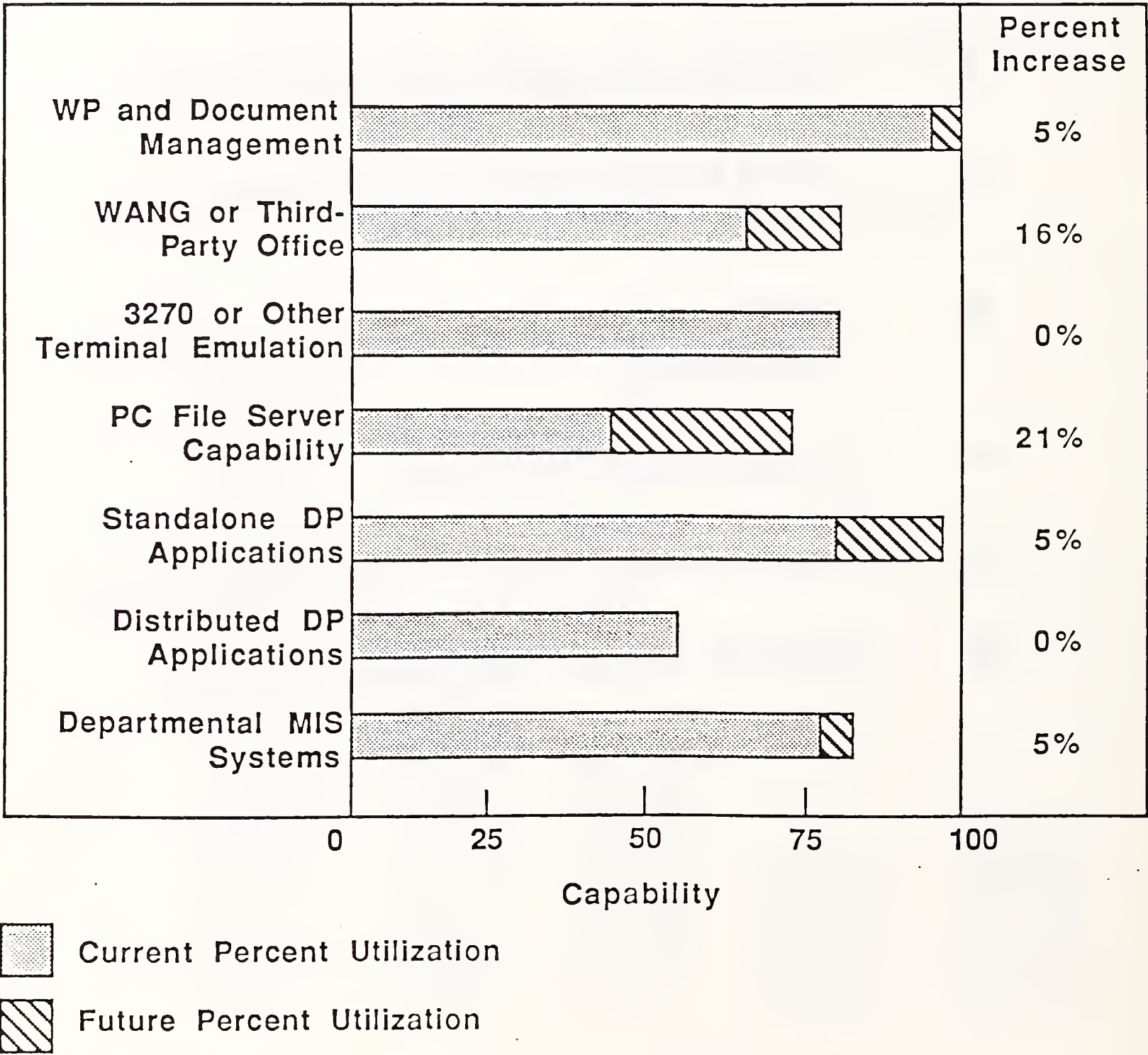67% Indicated that Wang was selected initially for its suitability for data processing

OTHER VENDORS EVALUATED

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REASONS FOR SELECTING WANG
RANKED BY FREQUENCY CITED

- Ease of Use/Reduced Training

- Price Performance Better Than The Competition's

- Ability to Integrate Data and Word Processing

- Networking Capability

- Connectivity to IBM Host Environment
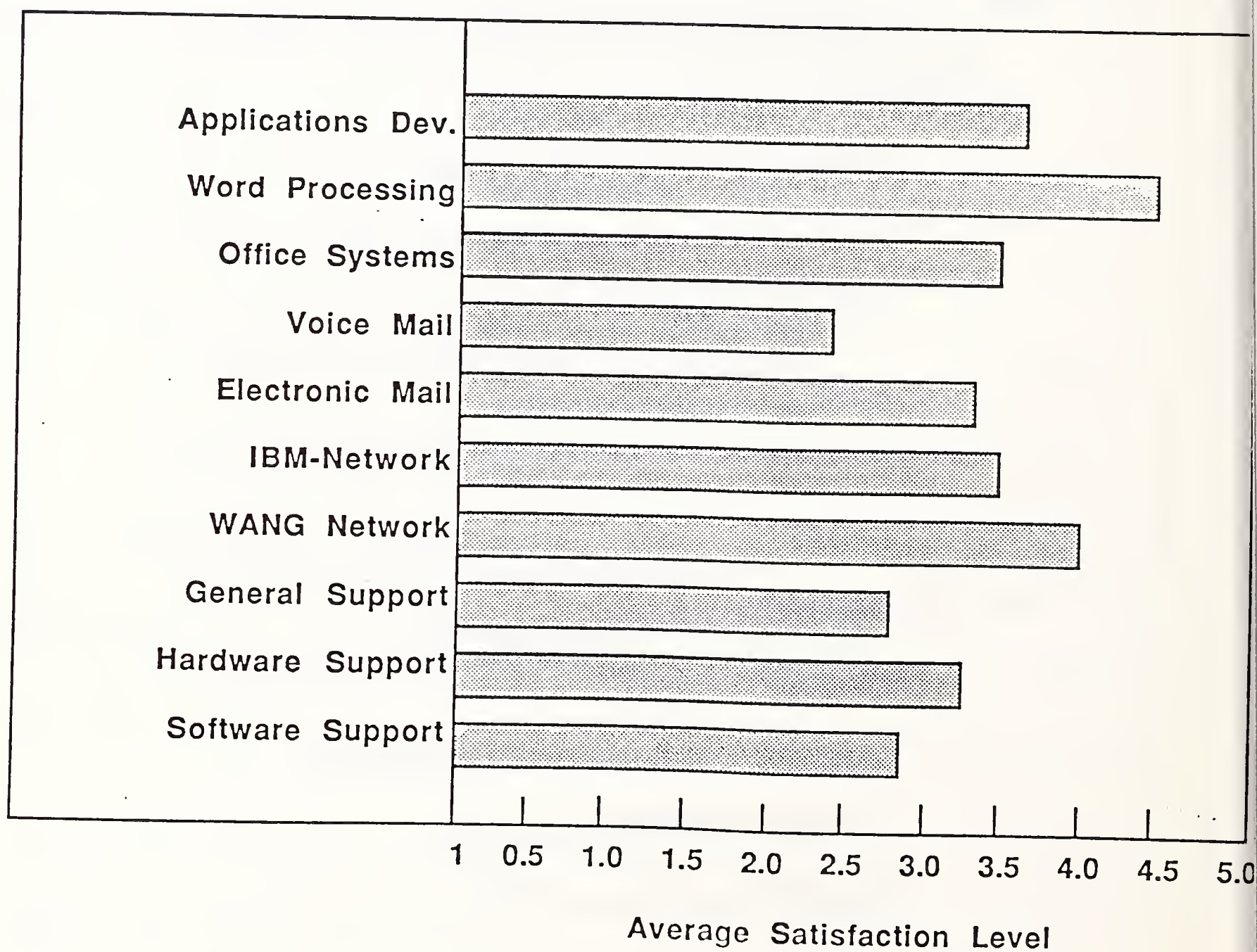
- Overall Balance to Requirements

UTILIZATION OF FUNCTIONAL CAPABILITIES

	Percent Increase
WP and Document Management	5%
WANG or Third-Party Office	16%
3270 or Other Terminal Emulation	0%
PC File Server Capability	21%
Standalone DP Applications	5%
Distributed DP Applications	0%
Departmental MIS Systems	5%

Capability

▨ Current Percent Utilization

◪ Future Percent Utilization

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CURRENT DATA PROCESSING APPLICATIONS

- Financial Systems (GL, A/R, A/P. .)   68%

- Business Operations   47%
    - Materials Management
    - Contract Management
    - Credit Card Operations
    - Sales Management
    - Inventory
    - Claims

- Specialized Staff Support   37%
    - Legal
    - Corporate Communications
    - Human Resource/MIS
    - Marketing-Sales/MIS

RESPONDENTS SATISFACTION LEVEL
(Scale of 1-5, with 5 High)

Applications Dev.
Word Processing
Office Systems
Voice Mail
Electronic Mail
IBM-Network
WANG Network
General Support
Hardware Support
Software Support

1 0.5 1.0 1.5 2.0 2.5 3.0 3.5 4.0 4.5 5.0

Average Satisfaction Level

Overal Average Satisfaction Level: 3.2

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WANG'S DIRECTION

- All Respondents Asked to Comment on the Following Aspects of Wang's Strategy:

    - Continued Commitment to Compatibility with IBM

    - Full Support to IBM Communications Protocols, X.25, and Token-Ring

    - Full Support for Data Processing Applications

Specifically...

    - Is the Stragegy Appropriate?

    - How Well is Wang Doing?

RESPONDENTS' VIEWS

- Almost *Universal* Agreement that the Strategy in All Three Areas Is Correct

- Considerable Discussion Regarding Execution

  "The pace in the area of DP is too slow."

  "WANG needs to learn to meet product delivery dates ..."

  "They need to deliver the tools required to develop and manage DP on their systems ... capacity planning, DASD amanagement, etc."

  "Without a good relational data base we can't move to effective MIS implementations ..."

COMPARING IBM AND WANG

- Head to Head on Functional Capability

- The Impact of IBM Announcements (9370)

- Wang's Long Term Viability

FUNCTIONAL CAPABILITIES
(Percent of Respondents)

FUNCTION	WANG AHEAD	WANG EQUAL	WANG BEHIND
WP/Document Mgt.	100%	0%	0%
Office Automation Sup.	79%	21%	0%
Integration of DP/WP	84%	5%	11%
Mainframe Connectivity	22%	17%	61%
Overall Customer Support	5%	21%	74%

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WANG VERSUS IBM
(Better, Equal, Low)
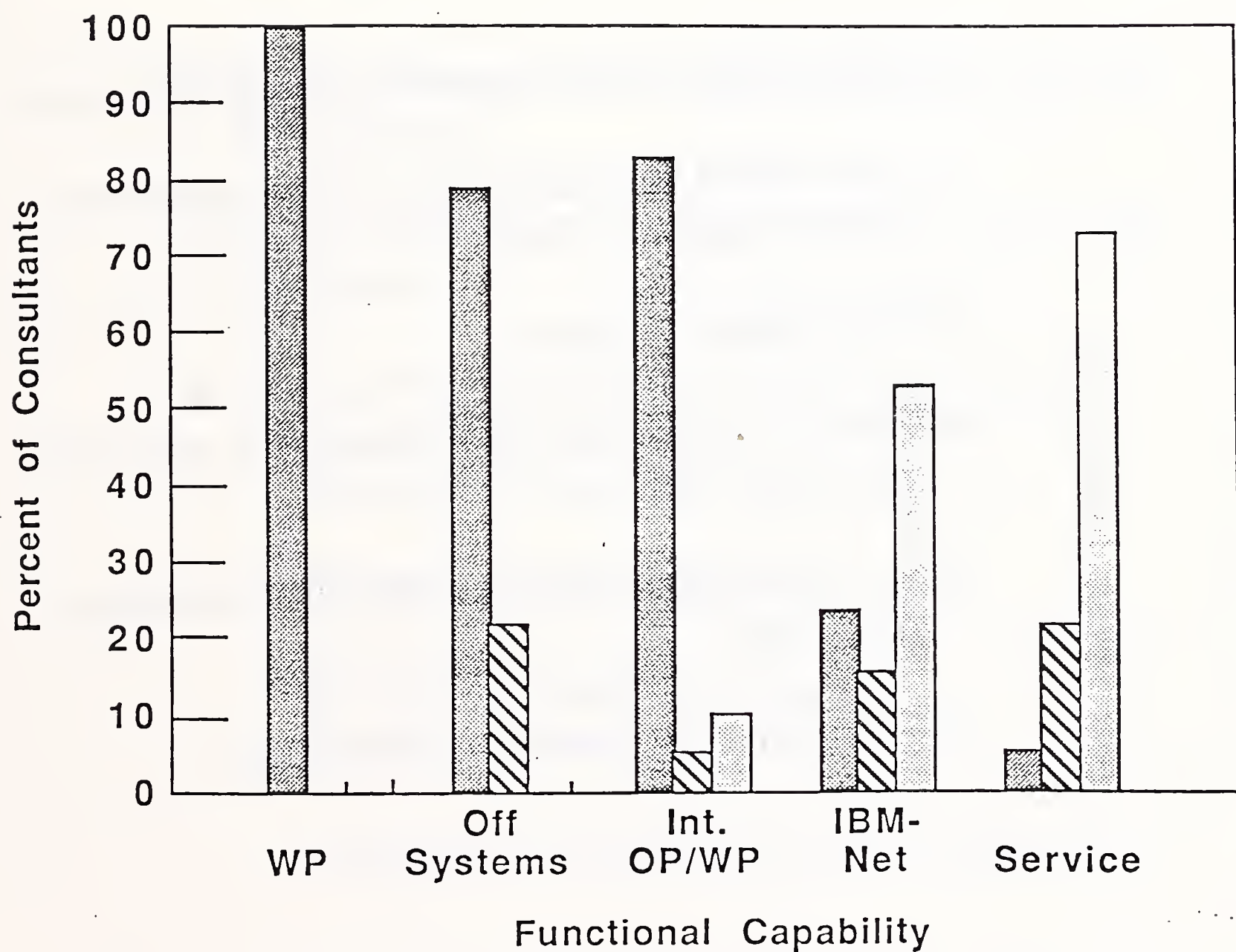
WANG Ahead of IBM
WANG Equal to IBM
WANG Behind IBM

OPINIONS ON THE 9370 ANNOUCEMENT

- 90% Were Aware of the Announcement

- 26% Said It Would Have No Impact on Their Current Plans

Some Observations:

- Most Respondents Indicated It was too Early to Tell

- At Least 50% Noted Lack of WP/Office Function

- Several Indicated "It's Too Late"

WANG'S LONG TERM VIABILITY

- Only 1 Respondent Felt That Wang Would Not Survive

- About 35% Indicated Senior Management Concern

- Areas Placing Wang At Greatest Risk:

  - Financial Viability

  - Service and Support

  - Field Knowledge of the DP Environment

  - "Meeting Commitments All Around"

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IBM IN WANG'S NICHE

- IBM's Current Product Offerings

- An Informal Survey of Client Strategies

- IBM's Strengths/Weaknesses in the Office Niche

IBM'S CURRENT PRODUCT OFFERINGS

Displaywrite III   (All Levels)
370/PC/System 36

DISOSS   Centralized Document
Interchange
MVS Only

PROFS   Professional Office
Support System
VM/CMS Only

Announced Direction to Link PROFS and
DISOSS

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IBM'S STRENGTHS AND WEAKNESSES

- Strengths

  - Commitment to a Single WP Strategy

  - Ability to Run on Installed Base of Hardware

  - Announced Strategy to Link PROFS and DISOSS

- Weaknesses

  - No Product Comparable to Wang Office, CEO, MBA

  - Incompatibility Between Current Displaywrite Offerings

  - Inefficient Implementation of WP on Large Scale and Middle Level Processors

  - Incompatibility Between PROFS Documents and Displaywrite Documents

  - Repeated Failure to Prove DISOSS's Viability

COMPANIES USING IBM FOR OFFICE

- Strategies Rely Heavily on PCs to Integrate Incompatible Product Offerings

- Most Using PROFS, Less Using DISOSS

- Betting on LAN Based PC Products to Provide Integrated Office Function

- Largely Abandoned S/36 as Viable Word Processing Alternative

- Limited by Incompatible Software and Communications Offerings

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CONCLUSIONS

- Current Users of Wang for DP Are Relatively Satisfied and Only 10% of the Sample Are Considering Reevaluating the Decision Within Two Years

- There Is Little if Any Erosion of Wang's Niche in the Traditional WP/Office Environment

- At Present the Announcement of the 9370 Is Having Little Impact on those Currently Using Wang

- The Application Portfolio Represented in the Sample Is Diverse

- Ease of Use and the Ability to Integrate Data Are Primary Motivators for the Selection of Wang

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CONCLUSIONS

- **There Is an Underlying Current That Wang May Not Be a Survivor ... Significant Issues**

    - **Field Support of Data Processing**

    - **Meeting Committed Delivery Dates**

    - **Growing Competition in WP/Office**

    - **Financial Viability**

- **IBM Provides Little Competition at the Moment, But the Window Is Closing**